

## INTRODUCTION: Federal Obligations

The Federal Government controls the use of funds through *obligations*. Obligations are recorded when the Government makes a commitment to acquire goods or services. Obligations are the first of four key events that characterize the acquisition and use of resources: order, payment, delivery, and consumption. In general, they consist of orders placed, contracts awarded, services received, and similar transactions requiring the disbursement of money.

The obligational stage of a Government transaction is a strategic point in gauging the impact of the Government's operations on the national economy because it frequently represents a Government commitment that stimulates business investments, such as inventory purchases and employment. Though payment may not occur for months after the Govern-

ment places its order, the order itself can cause immediate pressure on the private economy.

An obligation is classified by the nature of the transaction, without regard to its ultimate purpose. For example, all salaries and wages are reported as personnel compensation, whether the services are used in current operations or in the construction of capital items.

Federal agencies often do business with one another. In doing so, the "buying" agency records obligations and the "performing" agency records reimbursements. In table **FO-1**, these transactions are presented. Conversely, table **FO-2** shows only those transactions incurred outside the Federal Government.

**TABLE FO-1.--Gross Obligations Incurred Within and Outside the Federal Government by Object Class, Sept. 30, 1995**

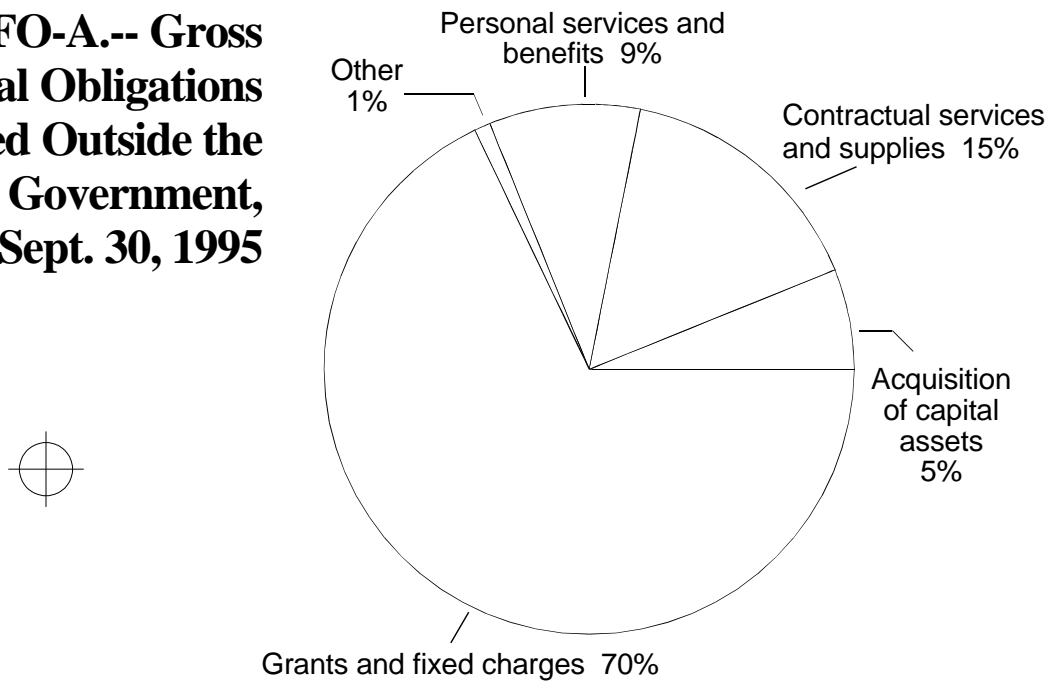
[In millions of dollars. Source: Standard Form 225, Report on Obligations, from agencies]

Object class	Gross obligations incurred		Total (3)
	Outside (1)	Within (2)	
<b>Personal services and benefits:</b>			
Personnel compensation . . . . .	157,362	-	157,362
Personnel benefits . . . . .	12,066	34,221	46,287
Benefits for former personnel . . . . .	3,342	-	3,342
<b>Contractual services and supplies:</b>			
Travel and transportation of persons . . . . .	6,901	622	7,523
Transportation of things . . . . .	10,404	2,112	12,516
Rent, communications, and utilities . . . . .	14,470	6,067	20,537
Printing and reproduction . . . . .	1,066	813	1,879
Other services . . . . .	171,866	45,545	217,411
Supplies and materials . . . . .	58,179	21,928	80,107
<b>Acquisition of capital assets:</b>			
Equipment . . . . .	54,726	6,251	60,977
Lands and structures . . . . .	16,519	276	16,795
Investments and loans . . . . .	28,998	270	29,268
<b>Grants and fixed charges:</b>			
Grants, subsidies, and contributions . . . . .	282,374	44,152	326,526
Insurance claims and indemnities . . . . .	649,305	6,980	656,285
Interest and dividends . . . . .	257,824	101,810	359,634
Refunds . . . . .	502	-	502
<b>Other:</b>			
Unvouchered . . . . .	435	78	513
Undistributed U.S. obligations . . . . .	5,710	15,570	21,280
Gross obligations incurred <sup>1</sup> . . . . .	1,732,049	286,695	2,018,744
Gross obligations incurred (as above) . . . . .			2,018,744
Deduct:			
Advances, reimbursements, other income, etc. . . . .			-303,749
Offsetting receipts . . . . .			-286,755
Net obligations incurred . . . . .			1,428,240

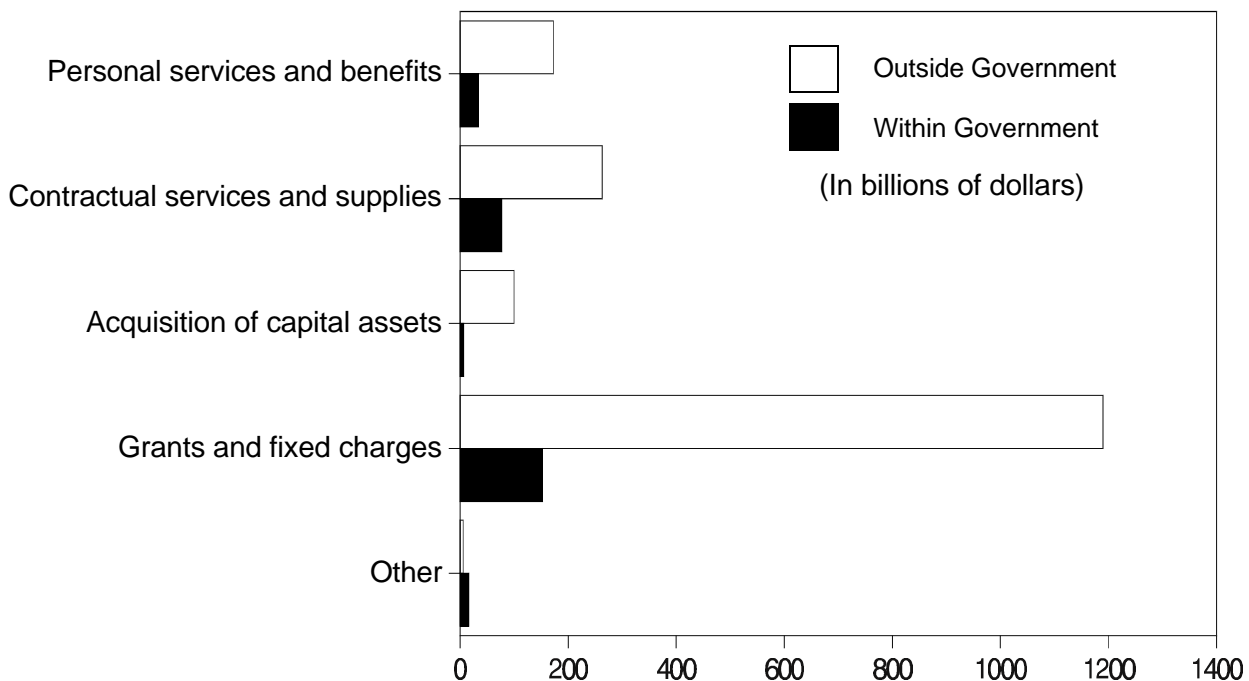
<sup>1</sup> For Federal budget presentation a concept of "net obligations incurred" is generally used. This concept eliminates transactions within the Government and revenue and reimbursements from the public, which by statute may be used by Government agencies without appropriation action

by Congress. Summary figures on this basis follow. (Data are on the basis of Reports on Obligations presentation and therefore may differ somewhat from the "Budget of the U.S. Government.")

**CHART FO-A.-- Gross  
Federal Obligations  
Incurred Outside the  
Federal Government,  
Sept. 30, 1995**



**CHART FO-B.--Total Gross Federal Obligations,  
Sept. 30, 1995**



**TABLE FO-2.--Gross Obligations Incurred Outside the Federal Government  
by Department or Agency, Sept. 30, 1995**

[In millions of dollars. Source: Standard Form 225, Report on Obligations, from agencies]

Classification	Personal services and benefits			Contractual services and supplies					
	Personnel compensation (1)	Personnel benefits (2)	Benefits for former personnel (3)	Travel and transportation of persons (4)	Transportation of things (5)	Rent, communications, and utilities (6)	Printing and reproduction (7)	Other services (8)	Supplies and materials (9)
Legislative branch <sup>1</sup> . . . . .	691	-	1	15	4	19	375	193	62
The judiciary <sup>2</sup> . . . . .	-	-	-	-	-	-	-	-	-
Executive Office of the President . . . . .	173	19	1	13	1	37	5	48	13
Funds appropriated to the President . . . . .	885	69	*	88	431	149	53	3,109	711
Department of Agriculture:									
Commodity Credit Corporation . . . . .	-	-	-	-	442	-	-	1,233	1,591
Other . . . . .	3,942	*	109	222	65	167	55	1,553	238
Department of Commerce . . . . .	1,575	51	30	85	14	103	28	746	174
Department of Defense:									
Military:									
Department of the Army . . . . .	25,281	3,191	208	1,470	696	1,643	16	14,171	2,206
Department of the Navy . . . . .	21,125	6,262	175	813	985	797	77	22,672	7,556
Department of the Air Force . . . . .	19,073	341	106	1,181	884	1,014	27	22,294	978
Defense agencies . . . . .	14,058	835	481	1,205	1,751	2,812	156	44,210	32,989
Total military . . . . .	79,537	10,629	970	4,669	4,316	6,266	276	103,347	43,729
Civil . . . . .	1,102	4	-	22	4	87	10	1,008	73
Department of Education . . . . .	370	*	11	14	-	15	18	449	9
Department of Energy . . . . .	1,159	-	16	74	5	586	14	19,202	87
Department of Health and Human Services, except Social Security . . . . .	2,895	53	159	124	22	182	15	4,918	379
Department of Health and Human Services, Social Security . . . . .	2,616	27	35	24	3	187	8	1,521	17
Department of Housing and Urban Development . . . . .	588	117	23	17	2	44	1	1,418	8
Department of the Interior . . . . .	2,415	2	65	133	24	106	3	1,254	228
Department of Justice . . . . .	2,981	-	8	200	22	801	93	2,150	123
Department of Labor . . . . .	791	167	10	46	4	252	7	356	22
Department of State . . . . .	1,192	*	16	125	170	488	44	980	120
Department of Transportation . . . . .	4,769	*	527	239	63	307	4	4,356	398
Department of the Treasury:									
Interest on the public debt . . . . .	-	-	-	-	-	-	-	-	-
Interest on refunds, etc. . . . .	-	-	-	-	-	-	-	-	-
Other . . . . .	1,786	2	5	95	27	80	5	575	296
Department of Veterans Affairs . . . . .	9,119	169	18	200	22	516	4	3,458	2,669
Environmental Protection Agency . . . . .	961	-	20	41	4	83	7	1,155	33
General Services Administration . . . . .	755	*	58	21	59	2,190	4	3,897	2,304
National Aeronautics and Space Administration . . . . .	1,300	226	37	51	13	195	10	11,452	244
Office of Personnel Management . . . . .	-	-	-	-	-	-	-	-	-
Small Business Administration . . . . .	252	6	11	25	1	55	2	210	4
Other independent agencies:									
Postal Service . . . . .	32,157	-	1,183	178	3,961	1,222	8	1,152	1,301
Tennessee Valley Authority . . . . .	911	246	-	23	704	86	2	1,181	3,203
Other . . . . .	2,441	277	29	156	21	245	14	943	141
Total . . . . .	157,362	12,066	3,342	6,901	10,404	14,470	1,066	171,866	58,179

See footnotes at end of table.

**TABLE FO-2.--Gross Obligations Incurred Outside the Federal Government  
by Department or Agency, Sept. 30, 1995, con.**

[In millions of dollars. Source: Standard Form 225, Report on Obligations, from agencies]

(in millions of dollars. Source: Standard Form 225, Report on Obligations, from agencies)										
Classification	Acquisition of capital assets			Grants, subsidies, and contributions (13)	Grants and fixed charges			Other		Total gross obligations incurred (19)
	Equipment (10)	Land and structures (11)	Investments and loans (12)		Insurance claims and indemnities (14)	Interest and dividends (15)	Refunds (16)	Unvouchered (17)	Undistributed U.S. obligations (18)	
Legislative branch <sup>1</sup> .....	107	5	*	*	*	-	2	*	-	1,474
The judiciary <sup>2</sup> .....	-	-	-	-	-	-	-	-	-	-
Executive Office of the President .....	14	-	613	43	*	*	-	-	-	980
Funds appropriated to the President .....	7,046	97	1,882	6,661	3	-	-	-	-	21,185
Department of Agriculture:										
Commodity Credit Corporation .....	59	-	10,402	3,581	-	18	-	-	-	17,324
Other .....	263	243	4,765	4,087	2,070	4,168	4	-	*	21,950
Department of Commerce .....	256	9	3	1,502	2	*	*	149	*	4,727
Department of Defense:										
Military:										
Department of the Army .....	3,177	2,208	-	82	137	-	-	-	-	54,487
Department of the Navy .....	15,704	950	*	108	5	-	-	-	-	77,229
Department of the Air Force .....	17,966	1,031	-	38	8	3	8	*	60	65,013
Defense agencies .....	4,690	1,327	-	253	28,668	14	*	2	12	133,463
Total military .....	41,537	5,516	-	481	28,818	17	8	2	72	330,192
Civil .....	45	841	-	-	-	1	-	-	-	3,197
Department of Education .....	18	-	7,603	30,411	3,219	501	-	-	-	42,638
Department of Energy .....	484	965	92	1,095	1	40	*	-	-	23,821
Department of Health and Human Services, except Social Security .....	283	90	14	138,034	173,664	4	-	284	-	321,119
Department of Health and Human Services, Social Security .....	93	2	-	27,747	333,480	*	-	-	4	365,765
Department of Housing and Urban Development .....	31	4,264	1,803	15,181	41	41	2	-	-	23,581
Department of the Interior .....	211	551	351	1,441	8	4	*	*	-	6,798
Department of Justice .....	356	14	*	1,217	33	*	-	-	-	7,998
Department of Labor .....	41	*	-	3,336	24,162	*	-	-	-	29,192
Department of State .....	163	27	54	2,618	456	*	-	-	-	6,455
Department of Transportation .....	721	268	35	28,325	6	-	14	*	18	40,048
Department of the Treasury:										
Interest on the public debt .....	-	-	-	-	-	245,986	-	-	-	245,986
Interest on refunds, etc. ....	-	-	-	4	-	2,693	-	-	-	2,697
Other .....	194	19	-	3,671	1,104	*	61	-	-	7,921
Department of Veterans Affairs .....	586	2,069	838	3,047	18,960	1,219	-	-	-	42,895
Environmental Protection Agency .....	72	25	-	4,559	18	-	-	-	*	6,979
General Services Administration .....	579	67	-	18	1	32	-	-	-	9,986
National Aeronautics and Space Administration .....	185	401	-	468	*	*	*	-	-	14,583
Office of Personnel Management .....	-	-	-	-	55,250	-	413	-	-	55,663
Small Business Administration .....	6	-	240	99	*	*	-	-	-	913
Other independent agencies:										
Postal Service .....	1,112	987	-	-	76	43	-	-	-	43,382
Tennessee Valley Authority .....	113	2	284	252	-	1,920	-	-	-	8,926
Other .....	150	55	20	4,496	7,935	1,134	-	*	5,617	23,674
Total .....	54,726	16,519	28,998	282,374	649,305	257,824	502	435	5,710	1,732,049

\* Less than \$500,000.

<sup>1</sup> Includes reports for Library of Congress, Government Printing Office, and General Accounting Office.

<sup>2</sup> No reports received from this entity.